

Marketing Forecasting Using Econometric Modeling

Abstract of the Disclosure

One may use econometric techniques to quantify the marketing drivers of consumer demand, retail-load adjustments, and shipments. A customized software tool may analyze the impact of marketing activities on future sales by forecasting consumer demand and retail-load adjustments for a product or service, based upon past results. Dynamic regression or other econometric modeling techniques may be applied to historical marketing spend or sales data to calculate the quantifiable impact of each marketing element on consumer demand and retail load adjustments. Future marketing spending by product and marketing element may be used to perform what-if analysis and determine impacts of marketing spending on forecasted consumer demand and the shipments needed to fulfill consumer demand combined with anticipated retail-load adjustments. Actual consumer demand and shipments may be tracked to highlight and assess forecast errors. Reports for demand forecast errors and shipment forecast error may be generated, with potential error reasons logged.